

Message Text

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PAGE 01 ATHENS 03090 060754Z
ACTION EUR-12

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DEPT PASS EXIM

E.O. 11652: N/A
TAGS: BENC, GR
SUBJECT: MAJOR PROJECTS - HIMIC PETROCHEMICAL COMPLEX
AT NEA KARVALI

REF: A. STATE 71877, B. ATHENS 2368

DURING APRIL 5 CALL BY COMATT, SPECIAL ADVISOR TO HIMIC
CHAIRMAN PROVIDED FOLLOWING INFORMATION IN RESPONSE TO QUESTIONS
CONTAINED IN REF. A.

1. HIMIC IS INTERESTED IN POSSIBLE JOINT VENTURES AND IS
CURRENTLY CONSIDERING PROPOSALS FROM U.S. AND EUROPEAN
FIRMS. WHILE HIMIC OFFICIALS DECLINED TO DISCLOSE NAMES
OF EUROPEAN COMPETITORS, THEY INDICATED THAT PHILIPS
PETROLEUM, DART INDUSTRIES AND DOW CHEMICAL ARE STRONG
CONTENDERS. HIMIC IS ALSO IN CONTACT WITH FOURTH U.S. FIRM
WHICH REQUESTED NAME BE WITHHELD AT THIS STAGE. HIMIC
WOULD WELCOME ADDITIONAL JOINT VENTURE PROPOSALS OR STATEMENTS
OF INTEREST FROM QUALIFIED U.S. FIRMS AS SOON AS POSSIBLE.
COMMUNICATIONS SHOULD BE SENT NLT THAN 1 JULY DIRECTLY TO:
HELLENIC INDUSTRIAL AND MINING INVESTMENT COMPANY S.A.
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(ELEMBE)
3 KORAI STREET, ATHENS
ATTENTION: MR. STEFANOS PANAYOTOU, OR MR. ARISTIDES LIANANTONAKIS

2. HIMIC ALSO INTERESTED IN TECHNICAL COOPERATION, DEPENDING
ON EXACT ARRANGEMENT PROPOSED, AND WOULD WELCOME PROPOSALS FROM
U.S. FIRMS AND SPECIFICS CONCERNING EXPERTISE AND SERVICES

OFFERED. HIMIC NOT, HOWEVER, YET PREPARED TO DISCUS PROCESS LICENSING.

3. HIMIC WILL HIRE CONSULTANT TO ADVISE ON EQUITY PARTNERS AND ON PROJECT IMPLEMENTATION AND TO PREPARE TIMETABLE FOR ETHYLENE PROJECT. HIMIC HAS DIRECTLY SOLICITED PROPOSALS FROM INDEPENDENT CONSULTANTS INCLUDING THREE U.S. FIRMS THROUGH EUROPEAN AFFILIATES INCLUDING THREE U.S. FIRMS THROUGH EUROPEAN AFFILIATES (NOT IDENTIFIED). SELECTION OF CONSULTANT WILL BE MADE BY MID-MAY AND HIMIC HAS ALREADY SHORT-LISTED QUALIFIED FIRMS, INCLUDING US BIDDERS.

4. ALTHOUGH ETHYLENE CRACKER WILL NOT NECESSARILY BE FIRST PROJECT TO BE IMPLEMENTED, HIMIC HAS ALREADY HAD PRELIMINARY CONSULTATIONS WITH SEVERAL FIRMS WITH EXPERTISE IN ETHYLENE TECHNOLOGY (MAINLY U.S.) HIMIC OFFICIALS APPEAR TO HAVE OPEN MIND REGARDING WHETHER TO SEEK EQUITY PARTNER OR RETAIN TOTAL OWNERSHIP OF CORE UNIT. THEY RECOGNIZE, HOWEVER, US LEAD IN ETHYLENE TECHNOLOGY AND, AT THIS STATE, APPEAR DIRECTED TOWARDS US MARKET. WHILE HIMIC ENGINEERS CLAIM TO HAVE CONSIDERABLE FILE ON US FIRMS SPECIALIZED IN THIS AREA, THEY WOULD ALSO CONSIDER PROPOSALS FROM LESSER KNOWN FIRMS WITH NEW TECHNOLOGY.

5. HIMIC IS PREPARING FURTHER PROJECT SPECIFICATIONS FOR APRIL 27-28 USDOC PETROCHEMICAL MISSION, AXGIMIC CHAIRMAN C. GOUSTIS WELCOMES OPPORTUNITY TO MEET WITH MISSION MEMBERS IN ATHENS. BELIEVE MISSION VISIT WILL CLARIFY FURTHER DIMENSIONS OF PROJECT AND BE OPPORTUNITY FOR SEVERAL MISSION MEMBERS TO GET IN ON GROUND FLOOR.

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6. COMMENT: WE BELIEVE FROM DISCUSSION ABOVE THAT HIMIC HAS, AS YET, NOT DECIDED WHETHER TO ACCEPT COMPLETE TECHNOLOGY OF POSSIBLE JOINT VENTURE PARTNER OR PROCEED INDEPENDENTLY. OFFICIALS APPEAR SINCERE IN PROFESSED INTEREST IN US TECHNOLOGY, AND EMBASSY BELIEVES LACK OF ESTABLISHED PROCEDURE IN SOLICITING CONSULTANTS OR JOINT VENTURE PARTNERS IS PROBABLY A RESULT OF INSTITUTION'S RECENT ESTABLISHMENT AND LACK OF EXPERIENCE IN PETROCHEMICAL SECTOR OR PROJECTS OF THIS MAGNITUDE. HIMIC OFFICIALS INDICATED NO PREFERENCE BETWEEN CONTACTS WITH US PARENT COMPANIES OR EUROPEAN AFFILIATES AND COMMENTED THAT ISSUE IS INTERNAL MATTER FOR US FIRMS. COMATT NOTED, HOWEVER, THAT US SOURCING IS REQUISITE FOR EXIMBAND FINANCING, AND HIMIC OFFICIALS SUGGESTED THAT INTERESTED US FIRMS COMMUNICATE DIRECTLY TO ADDRESS ABOVE. RECOMMEND USDOC URGE FIRMS TO SUBMIT LETTERS OF INTEREST ASAP AND BELIEVE THAT DECISION ON POSSIBLE JOINT VENTURE PARTNER LIKELY TO BE REACHED IN APPROXIMATELY SIX MONTHS. HIMIC OFFICIALS ALSO ARE INTERESTED IN MEETING WITH REPRESENTATIVES OF QUALIFIED US FIRMS, BUT REQUEST 2-3

WEEKS LEAD TIME FOR APPOINTMENTS.
KUBISCH

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